

Individual Savings Accounts

	Overall limit	Cash limit
2010/11	£10,200	£5,100
2009/10		
Age 50 or over	£10,200	£5,100
Age under 50	£7,200	£3,600

Registered Pension Schemes

Individual contributions 2010/11

Maximum tax-relievable contributions are the higher of:

- 100% of taxable UK earnings, or
- £3,600 (where the scheme applies tax relief at source).

A special annual allowance charge may apply to individuals with incomes of £130,000 or over where ongoing regular pension contributions are increased after 21 April 2009 (8 December 2009 for incomes between £130,000 and £150,000) by more than £20,000 per tax year.

Annual allowance	£255,000
Lifetime allowance	£1,800,000

Stamp Taxes

Shares and marketable securities 0.5%¹

¹ Rounded up to the nearest multiple of £5. Transactions of value £1,000 or less exempt.

Transfers of land and buildings (consideration paid)

Residential ²	Non-residential	Rate
£125,000 or less	£150,000 or less	Nil
£125,001-£250,000	£150,001-£250,000	1% ³
£250,001-£500,000	£250,001-£500,000	3%
Over £500,000	Over £500,000	4%

Leases

Rent (net present value)

Residential ²	Non-residential	Rate
Up to £125,000	Up to £150,000	Nil
Over £125,000	Over £150,000	1%

² Different rates apply in designated disadvantaged areas

³ 0% for first-time buyers of residential property

Premiums

Duty on premiums is the same as for transfers of land (but special rules apply to non-residential property where rent exceeds £1,000 annually).

Capital Allowances

Agricultural buildings (straight-line basis)	Rate %
Writing-down allowance	1

Dredging (straight-line basis)	Rate %
Writing-down allowance	4

Business premises renovation (initial allowance*)	Rate %
	100

Flat conversions (initial allowance*)	Rate %
	100

*Writing-down allowance for unrelieved expenditure (straight-line basis)	Rate %
	25

Industrial buildings (straight-line basis)	Rate %
Writing-down allowance	1

Know-how (reducing balance basis)	Rate %
Writing-down allowance	25

Mineral extraction (reducing balance basis)	Rate %
Writing-down allowances	25
General	25
Acquisition of mineral asset	10

Patent rights (reducing balance basis)	Rate %
Writing-down allowance	25

Plant and machinery (reducing balance basis)	Rate %
Annual investment allowance (max £100,000)	100
First-year allowances	
Energy-saving or environmentally beneficial assets	100
New low-emission cars	100
New zero-emission goods vehicles	100
Writing-down allowances	
General	20
Cars (expenditure incurred on or after 1/6 April 2009 where CO ₂ emissions exceed 160g/km)	10

Special rate expenditure (including integral features and thermal insulation)	Rate %
Long-life assets	10

Research and development Allowance	Rate %
	100

Venture Capital Schemes

	Investment limit	Income tax relief rate
Enterprise investment scheme	£500,000	20%
Venture capital trusts	£200,000	30%

Research and Development Relief

Companies may claim enhanced deductions for qualifying expenditure at the following rates.

Rate for small and medium-sized enterprises*	Rate %
Rate for large companies	175%
	130%

*Relief for certain expenditure contracted out to a small or medium-sized enterprise is given at the large companies rate

Tax Credits

Annual amounts 2010/11	£
Child tax credit	
Family element	545
baby addition	545
Child element (for each child)	2,300
Addition for disabled child	2,715
Severe disabled child enhancement	1,095

Working tax credit	Rate %
Basic element	1,920
Lone parent and couple element	1,890
30-hour element	790
Disability element	2,570
Severe disability element	1,095
50-plus return to work payment (16 to 29 hours)	1,320
(30 or more hours)	1,965
Childcare element (up to 80% of costs)	Weekly
maximum eligible cost (1 child)	175
maximum eligible cost (2 or more)	300

Income thresholds	Rate %
First income threshold	6,420
eligible for child tax credit only	16,190
First withdrawal rate	39%
Second income threshold	50,000
Second withdrawal rate	6.67%
Income disregard	25,000

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Tax Facts

Spring Budget Edition

2010

Income Tax Allowances

	2010/11	2009/10
	£	£
Personal allowance¹		
general	6,475	6,475
aged 65 to 74 in tax year	9,490	9,490
aged 75 or over in tax year	9,640	9,640
age allowance income limit	22,900	22,900
minimum where income exceeds limit (subject to note 1 reduction)	6,475	6,475
Married couple's allowance² (relief at 10%)		
either partner aged 75 or over in year of assessment	6,965	6,965
age allowance income limit	22,900	22,900
minimum where income exceeds limit	2,670	2,670
Blind person's allowance	1,890	1,890

¹For 2010/11 the personal allowance is reduced by £1 for every £2 of income above £100,000.

²Available for civil partners.

Income Tax Rates

Taxable Income £	Rate %
2010/11	
0 – 37,400	20
37,401 – 150,000	40
Over 150,000	50
2009/10	
0 – 37,400	20
Over 37,400	40

Savings income is generally treated as the highest part of total income. A 10% starting rate, for savings income only, applies to the extent that such income falls within the first £2,440 of taxable income (£2,440 for 2009/10). If taxable non-savings income exceeds this limit, the 10% rate does not apply. Income from **dividends** is taxed at 10% within the starting and basic rate bands, at 32.5% in the higher rate band and, for 2010/11, at 42.5% thereafter (these rates are applied to the dividend grossed-up by a tax credit of 1/9).

National Insurance Contributions

2010/11	2010/11		
Class 1 (Earnings related)	Not contracted out	Contracted out	
Employees			
<i>Weekly earnings</i>			
First £110	Nil	Nil	
£110.01– £770	11%	9.4%	
£770.01– £844	11%	11%	
Over £844	1%	1%	
Employers	NCO	SRS	MPS
<i>Weekly earnings</i>			
First £110	Nil	Nil	Nil
£110.01– £770	12.8%	9.1%	11.4%
Over £770	12.8%	12.8%	12.8%

Employees' rates are reduced to 4.85% for married women with valid certificates of election but the 1% rate above £844 still applies. Rates are nil for employees over state pensionable age. Normal employers' contributions are still payable.

Employers also receive a rebate of 3.7% for salary-related schemes and 1.4% for money purchase schemes on earnings from £97 to £110 per week. A rebate of 1.6% on earnings from £97 to £110 per week is given to employees (or employers where insufficient contributions have been paid for offset).

Class 1A and Class 1B – 12.8%
Class 2 (Self-employed) – Flat rate £2.40 a week. Small earnings exemption £5,075 a year.
Class 3 (Voluntary contributions) – £12.05 a week.
Class 4 (Self-employed) – 8% of profits between £5,715 and £43,875 a year. 1% of profits above £43,875 a year.

Inheritance Tax

Transfers after 5 April 2010 and before 6 April 2011

Death Rates	Rate %
Gross transfer	
Up to £325,000*	Nil
Over £325,000	40

*Unused nil rate band is transferable to spouse or civil partner.

Chargeable lifetime transfers are initially charged at 20%. Annual gifts of up to £3,000 per donor are exempt.

Capital Gains Tax

Annual exempt amounts 2010/11	£
Individuals, disabled trusts, personal representatives for year of death and two years thereafter	10,100
Trusts generally	5,050
Rate	18%

Corporation Tax

Financial Year to	31/3/2011	31/3/2010
Full rate	28%	28%
Small profits rate	21%	21%
21% rate limit	£300,000	£300,000
marginal relief limit	£1,500,000	£1,500,000
marginal relief fraction	7/400	7/400
effective marginal rate	29.75%	29.75%

Value Added Tax

Standard rate	17.5%	Lower rate	5%
Registration level from 1 April 2010		£70,000 pa	
Deregistration limit from 1 April 2010		£68,000 pa	

VAT car fuel scale charges from 1 May 2010

CO ₂ emissions grams per km	Quarterly returns £	Monthly returns £
120	141	47
125, 130	212	70
135	227	75
140	241	80
145	255	85
150	269	89
155	283	94
160	297	99
165	312	104
170	326	108
175	340	113
180	354	118
185	368	122
190	383	127
195	397	132
200	411	137
205	425	141
210	439	146
215	454	151
220	468	156
225	482	160
230	496	165

Car Benefit

CO ₂ emissions (2010/11) grams per km	% of list price (max. £80,000) Petrol	Diesel
120	10	13
130	15	18
135	16	19
140	17	20
145	18	21
150	19	22
155	20	23
160	21	24
165	22	25
170	23	26
175	24	27
180	25	28
185	26	29
190	27	30
195	28	31
200	29	32
205	30	33
210	31	34
215	32	35
220	33	35
225	34	35
230	35	35

No charge applies to cars incapable of producing CO₂ engine emissions and a 5% charge applies to cars within an emissions figure of 75 g/km or less.

Car Fuel Benefit

For 2010/11, car fuel benefit is calculated by applying the above car benefit percentage to a figure of £18,000.

Tax-Free Mileage Allowances

Employee's own vehicle	2010/11
<i>Motorcars and vans</i>	
Up to 10,000 business miles	40p
Over 10,000 business miles	25p
Each passenger making same trip	5p
<i>Motorcycles</i>	24p
<i>Cycles</i>	20p

Advisory fuel rates for company car from 1 December 2009

Cylinder capacity	Petrol	Diesel	LPG
Up to 1,400 cc	11p	11p	7p
1,401 cc to 2,000 cc	14p	11p	8p
Over 2,000 cc	20p	14p	12p